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General Assembly

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Sixty-fifth session
Agenda items 129 and 134

Programme budget for the biennium 2010-2011

Human resources management

Conditions of service and compensation for officials, other than Secretariat officials, serving the General Assembly: full-time members of the International Civil Service Commission and the Chair of the Advisory Committee on Administrative and Budgetary Questions

Report of the Secretary-General

I. Introduction

1. The General Assembly, in paragraph 2 of its resolution 35/221, decided that the compensation and other conditions of service of the full-time members of the International Civil Service Commission (ICSC) and of the Chair of the Advisory Committee on Administrative and Budgetary Questions would be reviewed normally every five years. The last such review was done in 2000 at the fifty-fifth session of the General Assembly. By its resolution 55/238, the Assembly took note of the relevant report of the Secretary-General (A/C.5/55/29). In paragraph 21 of that report, it was stated that, in accordance with the decision taken by the Assembly in paragraph 2 of its resolution 35/221 in respect of the periodic review of the compensation and other conditions of service of the Chair of the Advisory Committee and the Chair and Vice-Chair of ICSC, the next review would be undertaken at the sixtieth session of the Assembly in 2005.

2. Subsequently, the General Assembly, in paragraphs 4 and 5 of its resolution 58/266, requested the Secretary-General to bring the issue of conditions of service and compensation of the three officials to the attention of the Assembly when the annual compensation for the Chair of ICSC and the Chair of the Advisory Committee fell below the level of the compensation of Assistant Secretaries-General, but no sooner than at its sixty-third session, and also decided that this procedure would replace the requirement for future five-year comprehensive reviews outlined in paragraph 8 of the report of the Secretary-General

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(A/C.5/57/35). At the sixty-third session of the Assembly, a report of the Secretary-General on this matter (A/63/354) was submitted to the Assembly for its consideration. However, the issue was deferred to the sixty-fourth session. At that session, the same report was considered in the context of the proposed programme budget for the biennium 2010-2011, but no action was taken.

3. Accordingly, the Secretary-General would like to refer to his previous report and to update the information contained therein. In order to facilitate the review of the various issues regarding the compensation and conditions of service of the three officials concerned, and to update the information previously provided, the present report is divided into five sections: compensation, other conditions of service, post-retirement benefits, financial implications and the next comprehensive review.

II. Compensation

4. In accordance with General Assembly resolution 55/238, the annual net compensation of the Chair and Vice-Chair of ICSC and the Chair of the Advisory Committee on Administrative and Budgetary Questions should be adjusted in January of each year by 90 per cent of the movement in the consumer price index (CPI) for New York (rounded to the nearest whole number), measured over the period from November to November.

5. The movement of the net compensation of the three officials over the period from January 2004 to January 2008 is detailed in the Secretary-General's previous report. In order to update that report, it should be noted that the following adjustment procedures were applied. The movement in the CPI for New York over the period from November 2007 to November 2008 was 2.176 per cent. Ninety per cent of that movement represented 1.958 per cent, which, when rounded to the nearest whole number, resulted in an increase of 2 per cent in the annual compensation for the three officials concerned beginning 1 January 2009. This is lower than the projection given in the previous report because the CPI fell between July 2008, when the projection was made, and the end of the measurement period, namely November 2008. The movement in the CPI for New York over the period from November 2008 to November 2009 was 1.825 per cent. Ninety per cent of that movement represented 1.642 per cent, which, when rounded to the nearest whole number, resulted in an additional increase of 2 per cent in the annual compensation for the three officials concerned beginning 1 January 2010. Accordingly, the annual net compensation of the two full-time members of ICSC and the Chair of the Advisory Committee was revised from $197,564, effective 1 January 2008, to $205,545, effective 1 January 2010.

6. The movement in the CPI for New York over the period from November 2009 to November 2010 was 1.333 per cent. Ninety per cent of that movement represents 1.170 per cent, which, when rounded to the nearest whole number, will result in an additional increase of 1 per cent in the annual compensation for the three officials effective 1 January 2011. Accordingly, unless there is any further adjustment approved by the Assembly, the annual net compensation of the two full-time members of ICSC and the Chair of the Advisory Committee will be revised from $205,545, effective 1 January 2010, to $207,600, effective 1 January 2011. It should be recalled that there is also a special allowance of $10,000 payable to each of the Chairs.

7. As mentioned in paragraph 12 of the Secretary-General's previous report, and as noted by the Secretary-General at the thirty-eighth session of the Assembly:

> It is for this reason that the long-standing practice has been to take into account the level of remuneration of senior Secretariat officials in determining the appropriate remuneration for members of organs or subsidiary organs of the United Nations appointed by the United Nations to serve in their individual capacity on a full-time basis (A/C.5/38/27, para. 41).

This practice was endorsed by the General Assembly in its resolution 55/238, which reaffirmed that the total annual net compensation of the three officials concerned should be equivalent to 97 per cent of that of the most senior Secretariat officials.

8. The compensation of the three officials is detailed below. Data showing the evolution of their annual net compensation compared with that of senior Secretariat officials is contained in the annex to the present report.

(United States dollars)

	Current salary 1 January 2010	*Salary 1 January 2011*	*Salary 1 January 2011 proposed*
Chair of ICSC and Chair of the Advisory Committee on Administrative and Budgetary Questions			
Net salary	205 545	207 600	222 084
Special allowance	10 000	10 000	10 000
Total net salary and special allowance	215 545	217 600	232 084
Vice-Chair of ICSC			
Net salary	205 545	207 600	222 084

9. In order to restore the relativity of the annual net compensation of the Chair of ICSC and the Chair of the Advisory Committee to 97 per cent of that of the most senior officials, their net salary would need to be increased to $232,084, which represents an increase of 6.65 per cent over the total net salary, including the special allowance, effective 1 January 2011. The Vice-Chair of ICSC, who does not receive the $10,000 special allowance, would receive a net salary increase from $207,600 to $222,084, which represents a 6.97 per cent increase over the net salary payable that would otherwise be payable effective 1 January 2011.

III. Other conditions of service

10. No change is proposed in regard to the manner of application of other conditions of service of the Chair of the Advisory Committee and the Chair and Vice-Chair of ICSC at this time. These other entitlements are described in detail in paragraphs 16 and 17 of the Secretary-General's previous report.

IV. Post-retirement benefits

11. In its resolution 46/192, the General Assembly decided that officials appointed or elected to ungraded positions who become participants in the United Nations Joint Staff Pension Fund should have their pensionable remuneration adjusted, between comprehensive reviews, in accordance with the procedure applicable for adjustment of the scale of pensionable remuneration of staff in the Professional and higher categories, as set out in article 54 (b) of the Regulations of the Fund. Accordingly, the pensionable remuneration of the three officials concerned is adjusted at the same time and by the same percentage as that used to adjust their annual compensation. This methodology has been applied since that time. As at 1 January 2010, the pensionable remuneration of the Chair of ICSC and the Chair of the Advisory Committee is $267,208 per annum and that of the Vice-Chair of ICSC $252,892 per annum. Their pensionable remuneration should be revised as at 1 January 2011, using the usual adjustment procedure, to $269,880 and $255,421 respectively. Should the Assembly approve the proposal to restore the relativity of the compensation of these three senior officials as outlined above, the pensionable remuneration of the Chair of ICSC and the Chair of the Advisory Committee should be increased to $287,827 and that of the Vice-Chair of ICSC to $273,224, effective 1 January 2011.

V. Financial implications

12. Should the General Assembly approve the restoration of the relativity relating to the net compensation and post-retirement benefits as set out in paragraphs 9 and 11 above, it is estimated that there will be additional requirements of $28,900 for the programme budget for the biennium 2010-2011 comprising $17,300 under section 1, "Overall policy-making, direction and coordination", and $11,600 under section 30, "Jointly financed administrative activities". This would represent the full cost of provisions in respect of the Chair of the Advisory Committee and the net cost to the United Nations of the provisions for the Chair and Vice-Chair of ICSC, which are financed jointly with the other organizations of the United Nations system. These requirements are seen as relating to inflationary adjustments. The additional requirements would therefore be reported in the context of the second performance report of the programme budget for the biennium 2010-2011, to be submitted to the General Assembly at its sixty-sixth session.

13. The General Assembly may wish to restore the relativity relating to the net compensation and post-retirement benefits of the Chair of the Advisory Committee and the Chair and Vice-Chair of ICSC and to take note of the present report.

VI. Next comprehensive review

14. In accordance with the decision taken by the General Assembly in its resolution 58/266 in respect of the review of the compensation and other conditions of service of the Chair and Vice-Chair of ICSC and the Chair of the Advisory Committee, the next comprehensive review should be undertaken when the level of the annual compensation of the Chair of ICSC and the Chair of the Advisory Committee falls below the level of the compensation of Assistant Secretaries-General.

Annex

Evolution of the annual net compensation of the Chair of the Advisory Committee on Administrative and Budgetary Questions and the Chair and Vice-Chair of the International Civil Service Commission, compared with that of senior officials of the Secretariat at Headquarters

Year	*Chair of ACABQ and of ICSC*[a]	*Vice-Chair of ICSC*	*Assistant Secretary-General with dependant*[b]	*Assistant Secretary-General without dependant*[b]	*Under-Secretary-General with dependant*[c]	*Under-Secretary-General without dependant*[c]
Jan. 2004	182 189	172 189	180 304	163 555	197 312	177 970
Jan. 2005	189 077	179 077	188 097	170 611	205 809	185 617
Jan. 2006	196 040	186 240	194 670	176 563	212 975	192 066
Jan. 2007	199 965	189 965	199 256	180 716	217 975	196 566
Jan. 2008	207 564	197 564	205 501	186 371	224 783	202 693
Jan. 2009	211 515	205 515	218 800	198 415	239 282	215 742
Jan. 2010	215 545	205 545	218 761[d]	198 381[d]	239 241[d]	215 705[d]
Jan. 2011	217 600[e]	207 600[e]	218 780	198 399	239 262	215 724
Jan. 2011 proposed	232 084	222 084				
Percentage increase 2004-2011	19.4	20.5	21.3	21.3	21.3	21.2
Percentage increase 2004-2011 proposed	27.4	29.0				

[a] Including a special allowance of $10,000 per annum.

[b] Including a representation allowance of $3,600 per annum.

[c] Including a representation allowance of $4,000 per annum.

[d] The net compensation for staff in the Professional and above category is adjusted on the basis of the movement of the post adjustment multiplier. For New York, there has not been a net increase in net compensation since 1 August 2008. However, effective 1 January each year, there is a "no gain, no loss" consolidation of part of the post adjustment element into the net base salary. Rounding differences have attributed to the minor changes in net compensation from January 2009 to January 2011.

[e] Reflecting a 1.0 per cent adjustment as a consequence of the movement in the New York CPI from November 2009 to November 2010.

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Agenda items 34, 39, 66 and 75

Protracted conflicts in the GUAM area and their implications for international peace, security and development

The situation in the occupied territories of Azerbaijan

Elimination of racism, racial discrimination, xenophobia and related intolerance

Responsibility of States for internationally wrongful acts

Security Council
Sixty-fifth year

Letter dated 29 December 2010 from the Chargé d'affaires a.i. of the Permanent Mission of Armenia to the United Nations addressed to the Secretary-General

I would like to take this opportunity to draw your attention to the letter of the representative of Azerbaijan circulated on 21 December 2010 (A/65/601–S/2010/615). It represents, once again, an example of an ongoing, unacceptable smear campaign by Azerbaijan against my country.

By spreading totally groundless information and scenarios authorized by its Ministries of Foreign Affairs and Defence, the Azerbaijani representative to the United Nations hinders the proceedings of the annual session of the General Assembly and the Security Council.

It is truly disappointing that, given the important agenda of the sixty-fifth session of the General Assembly, which should be the main focus, the Azerbaijani side instead continues to abuse its privilege of being a Member State of the United Nations by using every opportunity presented to it as such to falsely and unabashedly discredit Armenia and Nagorno Karabakh.

Although responding to the above-mentioned letter, the conclusions and falsity of which are simply preposterous, may give it credence, I find it necessary to note that this circulated propaganda paper amounts to a highly irresponsible attempt at the State level to undermine the ongoing mediation efforts of the Organization for Security and Cooperation in Europe (OSCE) Minsk Group Co-Chairs to find a comprehensive and lasting solution for the Nagorno Karabakh issue.

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In contradiction of the spirit of the Minsk Group negotiation process, as well as contrary to basic international documents such as the Charter of the United Nations and the Helsinki Final Act, the Azerbaijani Government, the President himself and his representatives for a long time have been developing and implementing a large-scale propaganda campaign against Armenia and Armenians. Such behaviour of the Azerbaijani authorities creates a serious threat to regional peace and stability.

Armenia, along with the OSCE Minsk Group Co-Chairs, continues to be alarmed by the growing wave of the Azerbaijani incursions across the Nagorno Karabakh-Azerbaijan line of contact and its ceasefire violations throughout 2010, resulting in tragic and unnecessary loss of life of both Armenian and Azerbaijani soldiers. Numerous deliberate provocations on the line of contact this year serve as concrete examples of Azerbaijan's insistence on seeking militaristic ways to deal with the Nagorno Karabakh issue.

Furthermore, Azerbaijan continues to reject calls from the Minsk Group Co-Chairs and the United Nations Secretary-General (the most recent made on the sidelines of the OSCE Summit in Astana on 1 December 2010) for the removal of snipers from the line of contact.

In this context, upon instructions from my Government, I draw your attention to the ongoing violations of the ceasefire by the armed forces of Azerbaijan, as recorded for the months of November and December 2010 (see annex). Such actions by Azerbaijan put in question its commitment to its obligations under international humanitarian and human rights law and finding a peaceful solution to the Nagorno Karabakh issue.

I should be grateful if you would have the present letter and its annex circulated as a document of the General Assembly, under agenda items 34, 39, 66 and 75, and of the Security Council.

(*Signed*) Karine **Khoudaverdian**
Chargé d'affaires a.i.

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Annex to the letter dated 29 December 2010 from the Chargé d'affaires a.i. of the Permanent Mission of Armenia to the United Nations addressed to the Secretary-General

Violations of the ceasefire by the armed forces of the Republic of Azerbaijan from 1 November to 1 December 2010

			Firing from Azerbaijani side	
No.	*Direction*	*Date, time*	*Type of weapon*	*Ammunition*
1.	Dovekh	03.11.10 23.00	Firearm	3
2.	Sevakavan	04.11.10 11.35	Firearm	30
3.	Laligyugh	05.11.10 15.00	Machine gun 12.7 mm	1
4.	Laligyugh	05.11.10 19.30	Firearm	3
5.	Laligyugh	05.11.10 22.40	Firearm	25
6.	Vazashen	06.11.10 14.15	Firearm	1
7.	Sevakavan	07.11.10 22.35	Firearm	5
8.	Bardzruni	07.11.10 23.15	PK	15
9.	Bardzruni	08.11.10 00.15	PK	5
10.	Movses	09.11.10 23.45	Firearm	7
11.	Bardzruni	09.11.10 19.15	Firearm	6
12.	Dovekh	12.11.10 19.30	Firearm	3
13.	Agarak	13.11.10 17.30	Firearm	4
14.	Agarak	13.11.10 17.30	SVD	1

No.	Direction	Date, time	Firing from Azerbaijani side	
			Type of weapon	Ammunition
15.	Berdavan	14.11.10 21.25	Firearm	5
16.	Kuris	14.11.10 12.30	Firearm	9
17.	Agarak	15.11.10 15.00	Firearm	3
18.	Agarak	15.11.10 16.10	Firearm	2
19.	Agarak	17.11.10 10.30	Firearm	6
20.	Agarak	17.11.10 14.40	Firearm	25
21.	Shavarshavan	18.11.10 21.35	Firearm	30
22.	Nerqin Karmiraxbyur	20.11.10 13.30	Firearm	5
23.	Bardzruni	21.11.10 15.00	SVD	3
24.	Agarak	22.11.10 17.25	Firearm	1
25.	Laligyugh	23.11.10 22.00	Firearm	6
26.	Laligyugh	23.11.10 22.00	SVD	4
27.	Aygehovit	23.11.10 23.25	Firearm	25
28.	Lehvaz	23.11.10 08.00	Firearm	30
29.	Agarak	24.11.10 12.00	Firearm	6
30.	Agarak	24.11.10 21.00	Firearm	17
31.	Dovekh	26.11.10 10.55	Firearm	4

			Firing from Azerbaijani side	
No.	*Direction*	*Date, time*	*Type of weapon*	*Ammunition*
32.	Barekamavan	28.11.10 15.40	Firearm	10
33.	Vazashen	29.11.10 22.00	Firearm	70
34.	Barekamavan	29.11.10 13.05	RPK	2
35.	Barekamavan	29.11.10 15.25	SVD	5
36.	Bardzruni	29.11.10 21.00	SVD	2
37.	Bardzruni	29.11.10 21.00	Firearm	4
38.	Bardzruni	29.11.10 21.25	Firearm	20
39.	Bardzruni	29.11.10 21.25	Sniper weapon 12.7 mm	1
40.	Chinari	30.11.10 11.20	SVD	8
41.	Barekamavan	30.11.10 14.25	Firearm	10

The violations of the ceasefire by the armed forces of the Republic of Azerbaijan on the borderline of Armenia from 1 November to 1 December 2010:

Number of violations: 41
Shots: about 422

PK – (20), SVD — (23), machine gun 12.7 mm — (1), AK – (375), RPK 5.45 mm – (2), sniper weapon 12.7 mm — (1)

The violations of the ceasefire by the armed forces of the Republic of Azerbaijan on the borderline of Nagorno Karabakh from 1 November to 1 December 2010:

Number of violations: 195
Shots: about 1,286

RPG-7 — (8), PK – (35), RPK 5.45 mm – (56), SVD — (102), machine gun 12.7 mm – (25), sniper weapon 12.7 mm — (1), UTYOS-12.7 mm – (11), NSVT — (20), AK – (1,028)

Violations of the ceasefire by the armed forces of the Republic of Azerbaijan from 1 December to 26 December 2010

			Firing from Azerbaijani side	
No.	*Direction*	*Date, time*	*Type of weapon*	*Ammunition*
42.	Berdavan	01.12.10 10.40	AK	3
43.	Khndzorut	01.12.10 11.35	AK	1
44.	Bardzruni	01.12.10 16.45	SV-12.7 mm	1
45.	Chinari	03.12.10 23.25	AK	30
46.	Bardzruni	06.12.10 21.30-22.00	AK	60
47.	Bardzruni	06.12.10 21.30-22.00	SV-12.7 mm	21
48.	Bardzruni	06.12.10 21.30-22.00	SVD	3
49.	Barekamavan	07.12.10 17.55	SV-12.7 mm	2
50.	Bardzruni	07.12.10 09.55	SVD	3
51.	Bardzruni	07.12.10 09.55	RPK	15
52.	Bardzruni	07.12.10 13.50	SVD	4
53.	Bardzruni	07.12.10 13.50	AK	30
54.	Bardzruni	07.12.10 13.50	SV-12.7 mm	1
55.	Barekamavan	08.12.10 11.30	SV-12.7 mm	12
56.	Barekamavan	08.12.10 11.30	PK	17
57.	Barekamavan	08.12.10 11.30	AK	12

No	*Direction*	*Date, time*	*Firing from Azerbaijani side*	
			Type of weapon	*Ammunition*
58.	Barekamavan	08.12.10 14.40	SV-12.7 mm	3
59.	Barekamavan	08.12.10 14.40	PK	16
60.	Barekamavan	08.12.10 14.40	SVD	6
61.	Bakhanis	08.12.10 17.20	RPK	1
62.	Barekamavan	08.12.10 20.35	AK	3
63.	Berqaber	09.12.10 11.30	PK	15
64.	Berqaber	09.12.10 12.00	Machine gun 12.7 mm	5
65.	Berqaber	09.12.10 12.00	PK	10
66.	Berqaber	09.12.10 12.00	AK	15
67.	Bardzruni	10.12.10 02.15	SVD	2
68.	Berdavan	10.12.10 13.30	PK	15
69.	Voskevan	12.12.10 12.00	AK	6
70.	Vazashen	13.12.10 23.30	AK	2
71.	Vazashen	13.12.10 23.30	AK	12
72.	Barekamavan	13.12.10 14.50	SV-12.7 mm	11
73.	Agarak	13.12.10 20.00	AK	4
74.	Vazashen	15.12.10 17.00	SVD	4

			Firing from Azerbaijani side	
No.	*Direction*	*Date, time*	*Type of weapon*	*Ammunition*
75.	Aygepar	17.12.10 00.10	AK	4
76.	Vazashen	16.12.10 10.40	AK	6
77.	Voskepar	16.12.10 14.40	Machine gun 12.7 mm	2
78.	Voskepar	16.12.10 14.40	PK	15
79.	Agarak	16.12.10 16.00	AK	4
80.	Agarak	16.12.10 22.15	AK	7
81.	Vazashen	17.12.10 15.25	AK	25
82.	Laligyugh	17.12.10 20.15	AK	10
83.	Khndzorut	19.12.10 17.10	AK	2
84.	Khndzorut	19.12.10 17.10	SVD	1
85.	Nerqin Karmirakhbyur	20.12.10 04.10	AK	4
86.	Voskevan	20.12.10 13.40	AK	1
87.	Voskevan	20.12.10 17.15	AK	5
88.	Berdavan	20.12.10 19.40	AK	3
89.	Agarak	20.12.10 19.30	AK	2
90.	Agarak	20.12.10 21.25	AK	3
91.	Agarak	20.12.10 21.45	SVD	1

No.	*Direction*	*Date, time*	*Firing from Azerbaijani side*	
			Type of weapon	*Ammunition*
92.	Agarak	21.12.10 17.15	AK	20
93.	Berdavan	26.12.10 17.30	PK	4

The violations of the ceasefire by the armed forces of the Republic of Azerbaijan on the borderline of Armenia from 1 December to 26 December 2010:

Number of violations: 52
Shots: about 464

PK – (92), SVD — (24), machine gun 12.7 mm — (7), AK – (274), RPK 5.45 mm – (16), sniper weapon 12.7 mm — (51)

The violations of the ceasefire by the armed forces of the Republic of Azerbaijan on the borderline of Nagorno Karabakh from 1 December to 27 December 2010:

Number of violations: 354
Shots: about 2,078

RPG-7 — (2), PK – (186), RPK 5.45 mm – (93), SVD — (180), machine gun 12.7 mm – (15), sniper weapon 12.7 mm — (9), UTYOS-12.7 mm – (13), AK – (1,580).

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Agenda item 151
Financing of the United Nations Mission in Ethiopia and Eritrea

Financing of the United Nations Mission in Ethiopia and Eritrea

Report of the Secretary-General

Summary

The present report provides details on the final disposition of the assets of the United Nations Mission in Ethiopia and Eritrea. The Mission's assets, with a total inventory value of $57,034,100, were disposed of as at 7 December 2010. The disposition of the assets for the period ending 7 December 2010 has been undertaken in accordance with United Nations financial regulation 5.14.

Summary of the disposition of the assets of the United Nations Mission in Ethiopia and Eritrea as at 7 December 2010

(Thousands of United States dollars)

Category	*Inventory value*	*Percentage*
Group I: transferred to other missions or for temporary storage at the United Nations Logistics Base at Brindisi	17 458.7	30.6
Group II: disposed of in the mission area		
Sold	1 628.8	2.9
Donated to the Government of Ethiopia and the African Union	7 610.2	13.3
Group III: written-off/lost	30 336.4	53.2
Total	**57 034.1**	**100.0**

The action to be taken by the General Assembly is set out in paragraph 12 of the present report.

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I. Introduction

1. The mandate of the United Nations Mission in Ethiopia and Eritrea (UNMEE) was established by the Security Council in its resolutions 1312 (2000) and 1320 (2000). In its resolution 1798 (2008), the Security Council extended the mandate of UNMEE for a period of six months, until 31 July 2008. By its subsequent resolution 1827 (2008), the Council decided to terminate the mandate of the Mission effective 31 July 2008.

2. It is recalled that, by its decision 63/554, the General Assembly approved the proposed donation of assets with an inventory value of $1,398,500 and a corresponding residual value of $421,800 to the Government of Ethiopia, and the assets with an inventory value of $6,911,400 and a corresponding residual value of $1,967,900 to the African Union in support of the African Union Mission in Somalia, as shown in the report of the Secretary-General (A/63/728). It should be noted that the proposed donation of assets to the Government of Ethiopia and the African Union was prepared on the basis of a preliminary assets disposal plan.

3. The present report provides details on the final disposition of the assets of UNMEE as at 7 December 2010, undertaken in accordance with United Nations financial regulation 5.14.

4. As a result of the adjustment of the UNMEE assets disposition plan and according to the inventory report as at 7 December 2010, 799 assets with a total inventory value of $1,466,200 and a corresponding residual value of $462,900 were donated to the Government of Ethiopia during the financial period from 1 July 2008 to 30 June 2009. A total of 1,480 assets with a total inventory value of $6,144,000 and a corresponding residual value of $1,643,000 were donated to the African Union during the financial period from 1 July 2008 to 30 June 2009. The variation in inventory value of $699,700 (less than 9 per cent) between the planned and actual donation of UNMEE assets to the Government of Ethiopia and the African Union resulted from the changes in values that arose in the process of finalizing and updating the inventory of the assets, rather than any modifications to the earlier package.

5. The assets identified for donation to the Government of Eritrea, with an inventory value of $6,082,100 and corresponding residual value of $2,299,300, could not be donated, as the Permanent Mission of Eritrea, in its note verbale dated 25 February 2009, informed the Secretariat that the donation of UNMEE assets was not accepted by the communities concerned in Eritrea. Since UNMEE had already finalized the field liquidation process, terminated the service contracts and repatriated its staff, the Mission was not in a position to recover the remaining assets, which accordingly were declared abandoned in situ. The abandoned assets in Eritrea are included in the category of written-off/lost assets in the present report.

II. Classification and disposition of the assets of the United Nations Mission in Ethiopia and Eritrea

6. The process of liquidating the assets of UNMEE was guided by the following principles and policies contained in United Nations financial regulation 5.14:

(a) Equipment in good condition that conforms to established standardization or is considered compatible with existing equipment will be redeployed to other peacekeeping operations or will be placed in reserve to form start-up kits for use by future missions;

(b) Equipment not required for current or future peacekeeping operations may be redeployed to other United Nations activities funded from assessed contributions, provided that there is a demonstrated need for the equipment;

(c) Equipment not required for current or future peacekeeping operations or other United Nations activities funded from assessed contributions but which may be useful for the operations of other United Nations agencies, international organizations or non-governmental organizations will be sold to such agencies or organizations;

(d) Any equipment or property not required or which it is not feasible to dispose of in accordance with subparagraphs (a), (b) or (c) above or which is in poor condition will be subject to commercial disposal in accordance with the procedures applicable to other United Nations equipment or property; and

(e) Any assets which have been installed in a country and which, if dismantled, would set back the rehabilitation of that country shall be provided to the duly recognized Government of that country in return for compensation in a form to be agreed by the Organization and the Government. This refers in particular to airfield installations and equipment, buildings, bridges and mine-clearing equipment. Where such assets cannot be disposed of in this manner or otherwise, they will be contributed free of charge to the Government of the country concerned. Such contributions require the prior approval of the General Assembly.

7. The assets of UNMEE, with a total inventory value as at 7 December 2010 of $57,034,100, have been grouped into 16 categories: accommodation equipment, communications equipment, data-processing equipment, generators, marine equipment, medical equipment, mine-clearing equipment, miscellaneous equipment, observation equipment, office equipment, petrol tanks plus metering equipment, prefabricated buildings, refrigeration equipment, vehicular equipment, water and septic tanks, and water purification equipment.

8. In accordance with the principles and policies recalled in paragraph 6 above, the assets of UNMEE have been placed into three groups (see table 1).

Table 1
Summary of the final disposition of assets of the United Nations Mission in Ethiopia and Eritrea

(Thousands of United States dollars)

Category	*Inventory value*	*Percentage*
Group I: transferred to other missions or for temporary storage at the United Nations Logistics Base at Brindisi	17 458.7	30.6
Group II: disposed of in the mission area		
Sold	1 628.8	2.9
Donated to the Government of Ethiopia and the African Union	7 610.2	13.3

Category	*Inventory value*	*Percentage*
Group III: written-off/lost	30 271.9	53.1
Lost	64.5	0.1
Total	**57 034.1**	**100.0**

9. Group I includes assets identified as meeting the requirements of peacekeeping operations or United Nations activities funded from assessed contributions. The items in this group, with an inventory value of $17,458,700 (30.6 per cent of total assets value), have been transferred to other United Nations missions and the United Nations Logistics Base at Brindisi, for temporary storage pending future use.

10. Group II includes assets disposed of locally with an inventory value of $9,239,000 representing 16.2 per cent of the total inventory value of UNMEE assets, comprising assets donated to the Government of Ethiopia and the African Union with an inventory value of $7,610,200 and a corresponding residual value of $2,105,900 as well as assets sold to a United Nations agency and to private companies and individuals on the basis of competitive bidding with an inventory value of $1,628,800 and a corresponding residual value of $719,000. The amount of $644,500, representing the proceeds of the sale, was credited as miscellaneous income to the UNMEE special account (see table 2).

Table 2
Sale of assets of the United Nation Mission in Ethiopia and Eritrea

(Thousands of United States dollars)

Sold to	*Inventory value*	*Residual value*	*Sale value*
Commercial disposal	1 391.6	527.3	644.5
United Nations agency[a]	237.2	191.7	0
Total	**1 628.8**	**719.0**	**644.5**

[a] Reflects the nominal sale value of $1.

11. The inventory value of assets in Group III totals $30,336,400, representing 53.2 per cent of the total assets inventory value and a corresponding residual value of $7,951,500. These assets have been written off mainly as a result of accidents; damage caused by natural elements; obsolescence; normal wear and tear; the assets not being accepted by the Government of Eritrea as donation; and uneconomical prospects for repair and loss (see table 3).

Table 3
Written-off United Nations property reported by the United Nations Mission in Ethiopia and Eritrea

(Thousands of United States dollars)

Category	*Inventory value*	*Residual value*
Accident, damage and faulty equipment	3 350.4	1 089.6
Lost or stolen equipment	78.2	25.4

Category	*Inventory value*	*Residual value*
Normal wear and tear and regular life cycle activity	14 489.4	3 350.3
Obsolescence	5 514.2	990.0
Uneconomical to repair	269.4	74.3
Others[a]	304.3	136.3
Assets abandoned in Eritrea	6 330.5	2 305.6
Total	**30 336.4**	**7 951.5**

[a] Transferred to other United Nations missions but the receiving missions could not confirm receipt.

III. Action to be taken by the General Assembly

12. **The action to be taken by the General Assembly is to take note of the present report on the final disposition of assets of UNMEE.**